

(b) General Insurers' (Public Sector) Association of India (GIPSA) has reported that public sector companies are neither going slow nor denying health cover to people over 55 years. However, in view of high claim ratio in the age group of 55 years and above, the commission payable to agents has been reduced by one public sector company as a measure to reduce the total outgo. Insurers have also been advised by Insurance Regulatory and Development Authority (IRDA) to ensure that servicing of existing policy holders is not affected in any manner by a change in the commission structure.

(c) and (d) Yes, Sir. The premium under the existing Mediciam policy for persons above 55 years of age is higher by 60% or more as compared to premium for persons below 35 years. Under Mediciam policy, people above 45 years of age have to undergo health check-up before acceptance of the proposal. Renewal of policy (without break) upto the age of 80 years is accepted without any health check-up. Insurers have also started devising specific health insurance covers for senior citizens. One such cover has been launched recently by the National Insurance Company Limited for persons above the age of 60 years.

Tax Return Preparer Scheme

*297. SHRI S.S. AHLUWALIA:
SHRI V. HANUMANTHA RAO:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have entered into arrangement with certain private organisations who will provide training to unemployed/ underemployed Graduates to make them as Tax Return Preparers;

(b) if so, the salient details of the said agreement entered with the private organisations, including the total cost of training to be paid to them, and the salient features of the proposed training scheme; and

(c) the details of the procedure followed and exercises made by Government in selecting these private organisations for the purpose of rendering training and entering agreement with them?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir. The Union Government has launched the Tax Return Preparers Scheme

to provide free help to new small and medium tax-payers in the form of Tax Return Preparers to assist them in filing of their income-tax returns. The programme will be run on a pilot basis in the first year and will then be evaluated for extension on a larger scale. the Government has engaged the services of NIIT Ltd. for certain purposes towards the implementation of the pilot Scheme.

(b) *Salient features of the Scheme:* The Tax Return Preparers (TRPs) will assist individuals and Hindu Undivided Families (HUFs) to prepare and furnish their return of income but will not deal with the returns of income involving complexity. The scheme proposes to achieve the twin objectives of reducing the cost of compliance for small and medium taxpayers, thereby encouraging them to comply with tax laws, as well as to provide self-employment opportunities to unemployed and under-employed graduates all over the country. Salaried employees will, however, not be eligible for taking up this work on a part-time basis. Applications received from the candidates will be shortlisted on the basis of marks obtained at graduation level. The minimum qualification for undergoing training as Tax Return Preparer is a graduation degree in commerce, Law, Economics, Mathematics, Statistics, or Business Management/ Administration. The shortlisted candidates will undergo a test and 5000 candidates will be selected and enrolled. The enrollment test will be held at 100 centres at 80 cities/towns throughout the country. The selected candidates will undergo training and end-of-training examination and only successful candidates will be certified as TRPs. Training will involve classroom training, self-study and web-based training. During the financial year 2006-07, the scheme is being launched on a pilot basis and certification will be issued to successful candidates in February, 2007.

Details of private organization. Government has engaged NIIT Ltd. as its Partner Organisation to conduct the enrollment test, to prepare the training material and undertake the classroom and web-based training of the TRPs, to conduct the certification test of the TRPs and to issue identity cards and unique identification numbers to the TRPs, and to host a dedicated website as well as a Help Desk for the benefit of candidates in the implementation of the pilot scheme. NIIT has been identified for this purpose in view of its extensive experience and nation-wide network in computer-based training, both of which are essential

for a programme of this dimension. The Partner Organisation shall also be responsible for disbursement of incentives to the Tax Return Preparers under the Scheme, as directed by the Government. For the purposes of the Tax Return Preparers Scheme, the Partner Organisation shall function under the overall guidance and control of the Resource Centre, which is an office of the Central Board of Direct Taxes, and carry out the duties assigned to it as per the notification for the TRP scheme. In the event that the Partner Organisation fails to perform its functions properly, the Government may terminate its agreement with the Partner Organisation.

(c) The broad outlines of the scheme were cleared by the Committee for Non-Plan Expenditure (CNE), headed by the Secretary (Finance) in his capacity as Secretary, Department of Expenditure and was approved by the Finance Minister. Regarding the selection of NIIT as the training partner on a single source selection basis, the CNE was apprised that training was required to be imparted at about 100 centres nation-wise in a standardized manner with reference to classroom atmosphere, course-content, training tools, quality of instructors etc. NIIT was identified as the training partner after extensive deliberations, keeping in view its extensive presence, capability and infrastructural facilities throughout the country. The TRP programme has been initiated as a time-bound pilot project for the financial year 2006-07. In the next year, a detailed review will be carried out by the CBDT and a fresh proposal will be submitted to the CNE for continuation of the scheme. As such, the engagement of NIIT as the training partner has been made under special circumstances for the pilot project alone, for a specific well-defined job and with a time frame for its completion. Further, a committee headed by the Member (Revenue), CBDT, and including the Finance Advisor, was formed to evaluate the reasonableness of cost of bid submitted by NIIT. The Committee obtained external technical inputs and after a detailed analysis and discussion of the technical and financial aspects of the proposal, recommended appointment of NIIT as training partners for a sum of Rs. 4,83,92,000/- payable to NIIT for the financial year 2006-07, for undertaking all the activities listed in para (b) above. The recommendation was accepted by the Secretary (Revenue), who is the competent authority for this purpose.